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SANTA MONICA, CA

ARTHUR J. ALEXANDER
Associate Head
Economics Department

March 20, 1984

Mr. David Gries
Central Intelligence Agency
Washington, D.C. 20505

Dear David,

Enclosed is a draft case study on barriers to U.S. business in data communications in Japan. We enlarged the subject somewhat from our original discussion of transborder data flows. As we got into the subject, we found that the real issues in data communications were more broadly defined, that the business opportunities in domestic markets were substantial, and that domestic Japanese regulations had been an effective barrier to U.S. participation in this market. The draft looks at the process of deregulation in telecommunications, the forces and organizations pushing and retarding deregulation, and at the possibilities for U.S. interests interacting with this process.

We are working on an additional case study on insurance, and on a draft final report--both of which you will be receiving before the end of the month.

Best regards,



Arthur Alexander

AA:sc

Encl.